

REQUEST FOR INFORMATION (RFI)

For The

**Medicaid Management Information System (MMIS)
And Fiscal Agent Services Contract**

RFI # WI-RFI-09-03

Issued by:

THE STATE of WISCONSIN

**DEPARTMENT of HEALTH and FAMILY SERVICES
DIVISION OF HEALTH CARE FINANCING**

www.dhfs.state.wi.us/rfp/

September 26, 2003

Responses are requested by:

October 17, 2003

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Attachment B: Description of the Current Fiscal Agent Functions

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1.0 Introduction

1.1 Purpose of the Request for Information (RFI)

The purpose of this document is to solicit ideas from vendors regarding the services and the functionality to be included in a new Fiscal Agent Contract and Medicaid Management Information System (MMIS). The Department of Health and Family Services (DHFS) Division of Health Care Financing (DHCF) intends to issue a Request for Proposal (RFP) in the first quarter of 2004. DHFS is seeking input from the vendor community on best practices and state-of-the art solutions.

DHFS is seeking vendor community insight and information prior to finalizing business, functional and technical requirements for a Request for Proposal (RFP). There is no plan to purchase any business services, equipment and/or software at this time as a result of responses to this RFI.

Medicaid Fiscal Agents, MMIS and other health care claims processing system operators, health plans and health care vendors are encouraged to respond to this RFI. This RFI does not obligate DHFS to reply to the RFI responses or issue an RFP or to include any RFI provisions or responses in any RFP. There will not be a contract as a result of this RFI and the State is not liable for any cost incurred by vendors in replying to this RFI. The Fiscal Agent and MMIS RFP will be open to qualified vendors whether or not those vendors choose to submit a response to this RFI. The RFI is not a pre-qualification process.

RFI objectives include:

- Identify new technology best practices and business initiatives to be considered in the planning process.
- Collect information to facilitate construction of the RFP requirements.
- Collect information to understand the vendor perspective on design, development and operation of a MMIS and for Fiscal Agent responsibilities based on the Business Model presented in Attachment C.
- Provide potential respondents with initial information regarding the project scope and objectives for the Fiscal Agent Contract and MMIS.
- Collect information on the vendor's assessment of the pros and cons of taking over existing applications.
- Collect information on cost evaluation strategies.

This RFI and additional information regarding the Fiscal Agent and MMIS procurement will be published on the DHFS web site at www.dhfs.state.wi.us/rfp/.

1.2 Overview of the Department of Health and Family Services/Division of Health Care Financing

The Department of Health and Family Services has many key responsibilities including child welfare; long term care; physical and developmental disability programs; sensory disability programs; AODA and mental health services; public health; health care for low income, elderly and disabled persons; regulation and licensing of a variety of facilities; and operation of care and treatment facilities.

The Division of Health Care Financing within DHFS administers the Wisconsin Medicaid program, which expends approximately \$3.8 billion annually. Wisconsin Medicaid offers services via traditional fee-for-service and managed care delivery systems. The basic purpose of the Wisconsin Medicaid program is to make available appropriate medical care to persons in certain age, family status, or disability groups whose own financial resources are inadequate to provide for their medical needs. Individuals eligible for Medicaid include persons who are aged, blind, or disabled, or who are members of low-income families with dependent children. The State has a Medicaid expansion and SCHIP program called BadgerCare and a senior pharmacy-plus waiver program called SeniorCare.

The Division of Health Care Financing is comprised of the following eight Bureaus:

- Bureau of Health Care Program Integrity
- Bureau of Health Care Systems & Operations
- Bureau of Managed Health Care Programs
- Bureau of Health Care Eligibility
- Bureau of Income Maintenance Administration
- Bureau of Fee-For-Service Health Care Benefits
- Disability Determination Bureau
- Bureau of Health Information

More information about DHFS and DHCF organization and programs can be found at www.dhfs.state.wi.us.

1.3 Definitions

The following definitions are used through the RFI.

- State means State of Wisconsin.
- RFI means Request for Information
- RFP means Request for Proposals
- CMS means the Centers for Medicare and Medicaid Services
- DHFS means the Department of Health and Family Services
- DHCF means the Division of Health Care Financing
- MMIS means the Medicaid Management Information System

2.0 Procedures and Instructions

2.1 Method and Response

Vendors should submit one original and two copies and an electronic copy via e-mail by October 17, 2003 to:

Ken Dybevik, Director
Bureau of Health Care Systems and Operations
Wisconsin Division of Health Care Financing
P.O. Box 309
Madison, Wisconsin 53701-0309
dybevkk@dhfs.state.wi.us

All documents must be packaged, sealed and show the following information on the outside of the package:

Vendor's Name and Address
Request for Information Title
Request for Information Number
Request for Information Due Date

2.2 Calendar of Events

Listed below are the dates for the RFI:

DATE	EVENT
September 26, 2003	RFI Issued
October, 17, 2003	RFI Responses due from vendors

2.3 Format of Response

Vendors responding to this RFI should comply with the following requirements:

(a) TAB 1 - VENDOR DATA SHEET:

Include the completed Vendor Data Sheet (Attachment A) shown in this RFI.

(b) Tab 2 – VENDOR RESPONSE REQUESTED:

Please respond to the topics in Section 5.0 Vendor Response Requested. When a topic is not applicable for your organization, please indicate that as your response to the topic. The preferred responses should be targeted for an executive level review. It is anticipated that the responses will be tailored to meet the specific requests outlined and generalized marketing material used sparingly, if at all. The total length of the vendor response to the RFI should be no more than thirty (30) pages.

3.0 Fiscal Agent Contract and MMIS Project Information

3.1 Business Needs

The Wisconsin Medicaid program constantly deals with changing demands for expansion or modification of eligibility, services, and payment mechanisms. There are also significant challenges in the areas of:

- Cost containment
- Integration and coordination of services and funding
- Assuring necessity and appropriateness of care
- Level of care determination
- Outcomes measurement and improvement
- Customer service

The vendor's approach should help the State meet their business needs in an environment of constant change.

The Fiscal Agent contract is for both services and an MMIS. The State is interested in business partners who will provide value-added services in the areas outlined in the Business Model provided in Attachment C to this RFI. The State is interested in replacing its legacy MMIS with an MMIS that will:

- Leverage Web functionality to improve service and lower cost.
- Provide a technical environment for rapid implementation of modifications required by State and Federal changes with minimal demands on departmental staff time.
- Meet HIPAA standards and requirements.
- Support multiple interfaces in a cost effective and efficient manner.
- Provide the capacity for rapid claims processing with high transaction volumes.
- Migrate to online adjudication for claims processing.
- Provide access to the data captured by the MMIS for Department and other State staff to utilize for analysis and provide data that is displayed rapidly and interactively.
- Meet all requirements for Federal certification and the State Medicaid Manual.
- Meet all Department standards for system development and operations.

3.2. Schedule

The Implementation Phase shall begin upon execution of the contract by both parties (contractor and Department) and run through December 31, 2005.

4.0 Overview of Current Fiscal Agent and MMIS Scope of Work

4.1 Overview of Business Functions

The Wisconsin fiscal agent/MMIS contractor currently operates, maintains and enhances the federally required Medicaid Management Information System (MMIS) and provides a wide scope of fiscal agent services and functions. Attachment B describes the current Fiscal Agent functions.

5.0 Vendor Response Requested

We are requesting that vendors respond to those items indicated with arrows (➤) in the material presented below.

5.1 Business Model

The Business Model shown in Attachment C will be used to organize and detail requirements in the Wisconsin Fiscal Agent and MMIS RFP. The model originated as a result of a multi-state and CMS effort to document current business process requirements for an MMIS. Wisconsin continued this effort and further modified the model to meet its specific business needs. To our knowledge, this is the first time the business model has been used to define the format of RFP system, business and operational requirements, in a formally issued procurement document. Attachment D presents an example of a proposed outline for one business function called Benefit Plan Administration to illustrate how a typical business requirement will be presented in the RFP.

- The State of Wisconsin is committed to using this Business Model to develop the RFP. We are seeking vendor input about what is needed to support the preparation and submission of proposals that are both competitive and responsive to our business requirements and to the proposal submission requirements that will be defined in the RFP using the Business Model. We are looking to the vendor community to provide further insight into the viability of the Business Model as a design base for the MMIS RFP.

5.2 Project Approach and Schedule

This is a complex project that spans an extended period of time and requires both capability and commitment from a vendor. The State is interested in gaining a better understanding of your approaches to managing this project and achieving MMIS implementation by January 1, 2006.

The project has two phases: Implementation Phase and Operations Phase. The Implementation Phase includes the tasks to successfully design, develop, and implement the new Wisconsin MMIS and Fiscal Agent contract operations. The tasks associated with this phase typically include:

- Contract Start-up and Planning
 - Requirements Definition
 - System Analysis, Design and Specifications
 - System Construction and Testing
 - MMIS Conversion
 - Transition Planning
 - Implementation and Training
 - System Acceptance
 - Federal Certification
- The State is interested in receiving your input on the time and resources necessary to complete the required tasks within the proposed development schedule.

- Please specifically discuss your insight to obtaining certification and achieving system transition to the Operations Phase. Because the State is familiar with standard system development methodologies, the preferred emphasis is an explanation of the rationale for timeline decisions and insight into your strategies and concerns for managing the timeline.
- Given the requirement to meet the established schedule, what alternatives can you suggest for implementation/ transition that will meet the timeline, assure no interruption in service and not jeopardize federal certification?
- Provide a description of the strategies that could be used to meet the demands of the project across all tasks of both phases. If the management strategy varies by project activity or phase, please identify the appropriate approach by phase. The State is interested in information regarding the advantages and disadvantages associated with the project approach.

5.3 Partnerships

The State is interested in exploring opportunities for a project strategy that builds partnerships with organizations while a single entity maintains overall accountability. This approach would provide for inclusion in obtaining “best of breed” solutions for some functional areas. This model differs from the more traditional contracting model where the prime contractor provided the majority of the solution and subcontracted only for task level support.

- We are specifically interested in your discussion of the pros and cons related to requiring the potential contractor to use the “best of breed” approach for the following activities:
 - Pharmacy Benefit Management (PBM)
 - Dental Claims Administration
 - Provider and Recipient Customer Service
 - Service Authorization
 - Utilization Management
 - Program Integrity
 - Quality Assurance
 - Disease Management
 - Coordination of Benefits
 - Actuary Services
- Also, please provide input in your response on how or why we should recognize use of “best of breed” solutions in the evaluation approach and criteria.

5.4 Technology

Adopting newer technology can yield operational savings and improvements in business efficiencies and data access. Implementation of new technology can improve the ability to respond more quickly to changes in eligibility, services, managed care and payment mechanisms.

- Please describe any technology that you have used to address the challenges inherent in meeting the demands of an environment of constant regulatory changes with expanding requirements for data sharing and the objectives we have defined in Section 3.1. Our specific interests include:
 - Web functionality:
 - ❑ Both current capabilities and future direction, in the most recent version of your MMIS or other claims processing solutions.
 - ❑ Best practices, as well as issues, associated with web development, including deployment of web solutions such as self-service, pre-screening, eligibility verification, and access to data or other type of functionality.
 - ❑ Performance and security issues regarding Web based functionality and relational database design and operations.
 - New technologies/architectures developed and implemented for Medicaid or other health care programs that resulted in program savings, greater staff efficiency, error reduction, and similar benefits
 - Development strategies and technology that achieve a rapid turn-around time for incorporating regulatory changes

5.5 Project Scope Options

The State has several existing applications, initiatives, and processes that can be considered individually as options to include in the project scope defined in the RFP. The State is interested in obtaining vendor perspective on whether the State should require any or all of these applications be taken over and operated by the next MMIS contractor. DHFS is satisfied with each of these applications and processes. Each of these applications/processes is currently managed by the Fiscal Agent.

- Please provide a brief description of your perspective of the pros and cons (such as cost, risk, and schedule) for taking over or replacing the existing applications listed below and propose your alternative recommendations, if necessary.

Application/Process	Description
Decision Support – Data Warehouse (DSS)	<p><i>Technology:</i></p> <ul style="list-style-type: none"> • Business Objects as front end query tool • Oracle Database <p><i>Function:</i></p> <ul style="list-style-type: none"> • Enterprise uses in all aspects of program administration and operations. • Significant use for ad-hoc reporting • Budget forecasting • Supports SURS reports, analysis and provider audits. • “De-Duplication Module” for unlinking/reconciliation of multiple recipient identification numbers into one

Application/Process	Description
Wisconsin Immunization Registry (WIR)	<ul style="list-style-type: none"> • Web-based Registry of state immunizations that meets or exceeds DHFS, CMS and CDC requirements • Good reputation in Medicaid arena and has been transferred to other states
Encounter Data System	<ul style="list-style-type: none"> • Captures, stores, validates and provides access to encounter claims • Provides information for DHFS analysis and rate setting • Meets needs for DHFS and managed care community
Workflow System	<ul style="list-style-type: none"> • Workflow management system for estate recovery program • The Lien Estate Affidavit Process (LEAP) integrated with the current data warehouse (DSS), un-duplicates client eligibility across multiple programs, linked to court system and vital statistics data. • Integrates with word processing template forms and letters • Cash receivable functionality • Users can develop reports
Medicaid Card Issuance	<ul style="list-style-type: none"> • Prints and issues plastic magnetic stripe ID cards for Medicaid, BadgerCare and SeniorCare. • Wisconsin owns the hardware and software • Both are approximately 5 years old
Eligibility Verification	<ul style="list-style-type: none"> • Providers obtain recipient eligibility information • Information provided by a series of vendors who charge providers for the service • Supplemented by toll free Automated Voice Response System (AVR)

5.6 Process Re-Engineering

Re-designed business processes can achieve needed efficiencies and are an important part of effective cost containment and cost reduction strategy. Your company may have designed and implemented new business processes to achieve greater efficiencies within your organization or you may be familiar with new business processes in the industry that have achieved beneficial outcomes for your customers (not your operations).

- Please describe any new and innovative business initiatives for Medicaid or other health care programs that have achieved beneficial outcomes such as:
 - Improved staff efficiency
 - Error reductions
 - Program and administrative savings
 - Additional beneficial outcomes

5.7 Additional Topics

The State is interested in insights and feedback on several additional topics:

- HIPAA Compliance
- Contract Terms and Conditions
- Cost

5.7.1 HIPAA Compliance

HIPAA regulations are subject to change as some components have yet to be finalized and others may be revised. As a result, several recent MMIS RFPs have been released with the requirement to meet the finalized or known HIPAA requirements as of the date that the RFP is issued. This requirement can present difficulties for vendors responding to the procurement.

- The State is interested in your recommendations of potential RFP language that addresses this issue and how you are developing systems flexibility capabilities to meet future HIPAA regulations and changes to standards that minimize risk and contain costs.

5.7.2 Contract Terms and Conditions

Recent MMIS RFPs have not only included the states' standard terms and conditions, but also MMIS specific ones.

- Please discuss any issues with terms and conditions in contracts that would adversely affect your decision to submit a bid. Additionally, please suggest alternative approaches for the terms and conditions for consideration.

5.7.3 Cost

Typically RFPs require vendors to provide specific cost proposals for both implementation and operations. Recently states have been moving to a monthly flat fee for operating the MMIS.

- Please provide suggestions and considerations for the state to evaluate as we develop the cost model and associated evaluation criteria. Specifically, we are looking for your input in the following areas:
 - ❑ Cost mechanisms or evaluation criteria that “level the playing field” for such factors as costs for transition (e.g. infrastructure set-up, staff transition).
 - ❑ The use of subcontractors with “best of breed solutions” is desirable. Are there any cost scoring incentives that you can suggest that have been successfully used in other procurements?
 - ❑ Please provide your input to the cost evaluation process for resources to support state activities such as specialized administrative and technical staff, clinical technicians, pharmacists, and other similar skills.
 - ❑ Any innovations and proven cost evaluation methodologies that will provide a realistic view of the actual cost of the project.

Attachment A

Wisconsin Fiscal Agent and MMIS RFI Vendor Data Sheet

Attachment A must be completed and submitted with each response to this solicitation document. This is intended to provide the State with information on the vendor's name and address, and the specific persons who are responsible for preparation of the vendor's response. Each vendor must also designate a specific contact person who will be responsible for responding to the State if any clarification of the vendor's response should become necessary.

Vendor Name: _____

Address: _____

Prepared By: _____

Title: _____

Contact Person: _____

Title: _____

Phone Number: _____

Please provide Vendor contact information for receipt of additional information regarding the Fiscal Agent and MMIS procurement (if different from above).

Contact Person: _____ **Title:** _____

Vendor Name: _____

Address: _____

Phone Number: _____ **Email address:** _____

Attachment B

Description of the Current Fiscal Agent Functions

Services provided under the Medicaid Fiscal Agent Contract with EDS and their subcontractors

- Operate, maintain and enhance the federally required Medicaid Management Information System (MMIS). The MMIS and fiscal agent staff supports the following:
 - Inbound claims logistics (paper and EDI receipt and registration)
 - Claims adjudication (processing, review, approval, denial, suspension)
 - Outbound claims logistics; provider payment and recovery, remittance advice
 - Eligibility File and interface with CARES, SSA and Medicare for eligible recipients/participants of Medicaid/BadgerCare/ SeniorCare/FamilyCare)
 - Provider File of certified providers and managed care plans
 - Managed Care enrollment processing and capitation calculation and payment
 - HMO Encounter Data processing and reporting
 - State and Federal reporting
 - Prior Authorization Processing (registration, review, approval, suspension for Department review)
 - Surveillance and Utilization Review including Drug Utilization Review
 - Coordination of Benefits with health insurance and Medicare
 - Medicare Premium assistance processing
 - Estate Recovery Processing
 - Drug Rebate Processing
 - Pharmacy Point of Sale system and real time claims adjudication
 - Recipient Identification Card Issuance
 - Eligibility Verification
 - Financial processing and reporting including premium collection for BadgerCare/Medicaid Purchase Plan
 - Data Warehouse and Decision Support Services
 - Wisconsin Immunization Registry
 - Written and telephone Customer Service for Providers and Recipients/Participants
 - Medical Consultants for review of Prior Authorizations and consultation on policy/program development
 - Publications and Communications development, publishing and web site maintenance
 - Managed care contract monitoring and customer service
 - SeniorCare application processing
 - Actuarial services
 - Analytical, technical and clinical staff to support ad-hoc reporting and analysis of data from the data warehouses requested by DHFS.

Supplemental Security Income (SSI) and Caretaker Supplements (CTS)

The SSI Program provides cash benefits to 95,000 eligible elderly, blind or disabled children and adults who have low income. The CTS Program provides additional cash benefits to approximately 6,000 SSI recipients who have dependent children.

The fiscal agent provides clerk/correspondent, supervisory, technical and data processing/programming staff and equipment to support the following functions:

- Operate, maintain and enhance a data management system, including historical eligibility and payment data, pricing, payment issuance and accounts receivable.
- Respond to telephone and written and faxed inquiries from recipients, social workers, county agencies, SSA representatives, housing authorities and recipient advocates, performing case research and problem adjudication when necessary.
- Issue weekly and monthly SSI and Caretaker Supplement payment checks to qualified recipients, via paper check and electronic funds deposit.
- Adjudicate eligibility and payment discrepancies between state and federal data sources, including electronic data matches and interfaces.
- Issue weekly and ad hoc written notice of agency action to benefit recipients.
- Process daily updates to eligibility, financial and demographic information stored in electronic data files.
- Transmit electronic data to and process electronic data files from state agencies and their subcontracted vendors.
- Prepare data files to comply with federal reporting requirements and prepare scheduled and ad hoc data reports as required.
- Perform non-financial and income eligibility determination for approximately 10,000 recipients of state benefits, only:
 - ✓ Monthly, perform income eligibility determination (data matching and adjudication)
 - ✓ Annually (data matching, mass mailing and adjudication).
- Identify and process benefit overpayments.
- Process continuation of Medicaid benefits as directed.
- Track and respond to recipient requests for administrative hearing and coordinate benefits pending appeal hearing.
- Process requests for income verification.

Wisconsin Chronic Disease Program (WCDP)

The Wisconsin Chronic Disease Program (WCDP) offers services to individuals who have end-stage renal failure, hemophilia or cystic fibrosis. Each disease is treated as a separate program within WCDP, with its own set of covered services, pricing structure and eligibility criteria. The WCDP currently has over 1000 clients enrolled in the program and processes over 40,000 claims annually. Administering this program is much like running a Medicaid program except it does not include the provider certification component.

The fiscal agent performs the following functions:

- Receive and process client enrollment applications
- Process updates to financial and demographic information
- Determine and maintain client income deductible and patient liability amounts
- Create and issue paper identification cards for eligible clients
- Respond to telephone and written inquiries from clients and providers
- Receive and process claims
- Responsible for re-certifying eligible clients for services on a yearly basis
- Responsible for the provider enrollment and certification process
- Produce financial reports
- Operate the day to day functions of the drug rebate program

Wisconsin Well Woman Program (WWWP)

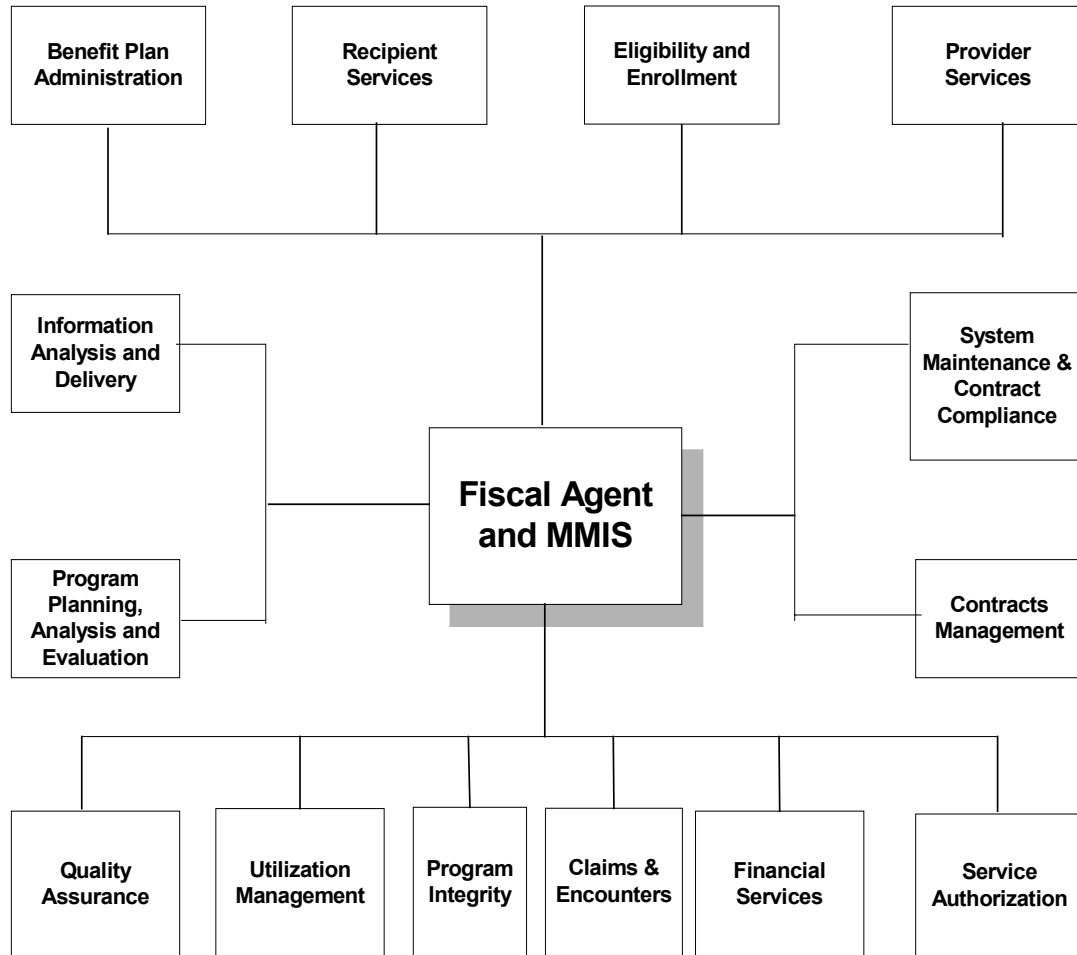
The Wisconsin Well Woman Program (WWWP) provides preventive health screening services to women with little or no health insurance coverage. This program pays for mammograms, pap tests and certain other health screenings for some of the most common women's health concerns (e.g., blood pressure, breast cancer, depression, osteoporosis, domestic abuse, diabetes, cholesterol levels, and cervical cancer). Covered services are available from participating health care providers at no cost to clients. There are currently over 10,000 women enrolled in this program with over 900 providers certified to provide services for this program.

The fiscal agent performs the following functions:

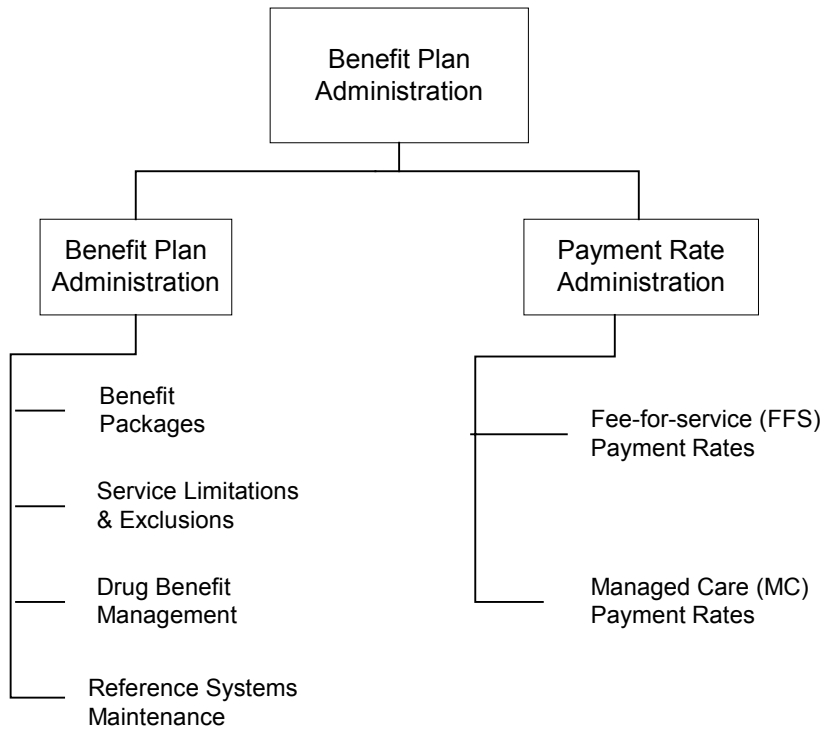
- Responsible for the provider enrollment and certification process
- Receive and process enrollment applications for clients requesting enrollment into the program.
- Receive and process claims.
- Receive and process from providers a paper encounter record for every screening service provided to a client.
- Respond to telephone and written inquiries from clients and providers.
- Provide state and federal reports and data

Attachment C

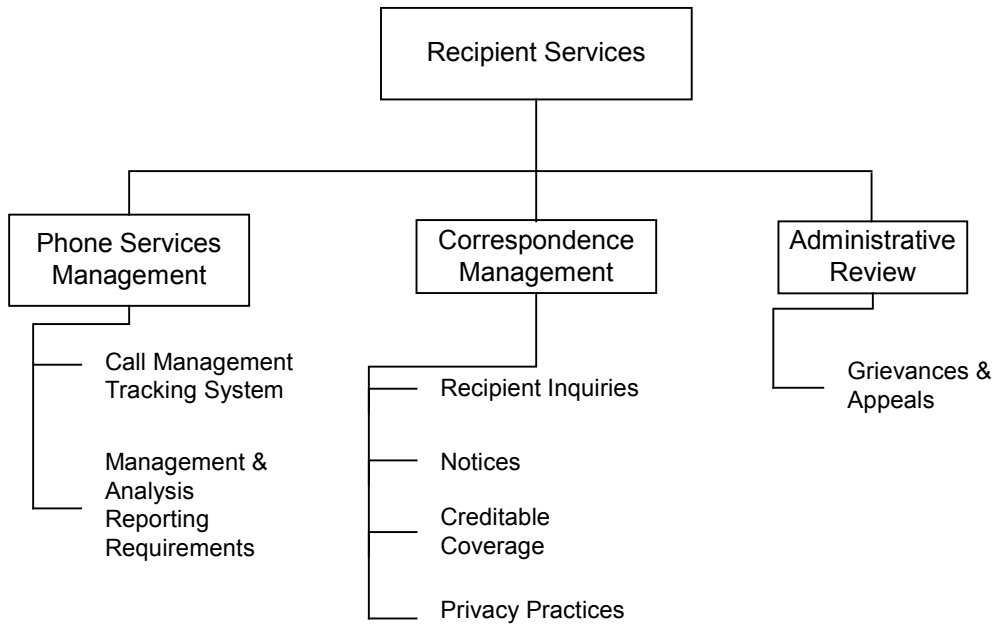
Wisconsin Fiscal Agent and MMIS Business Model Functions



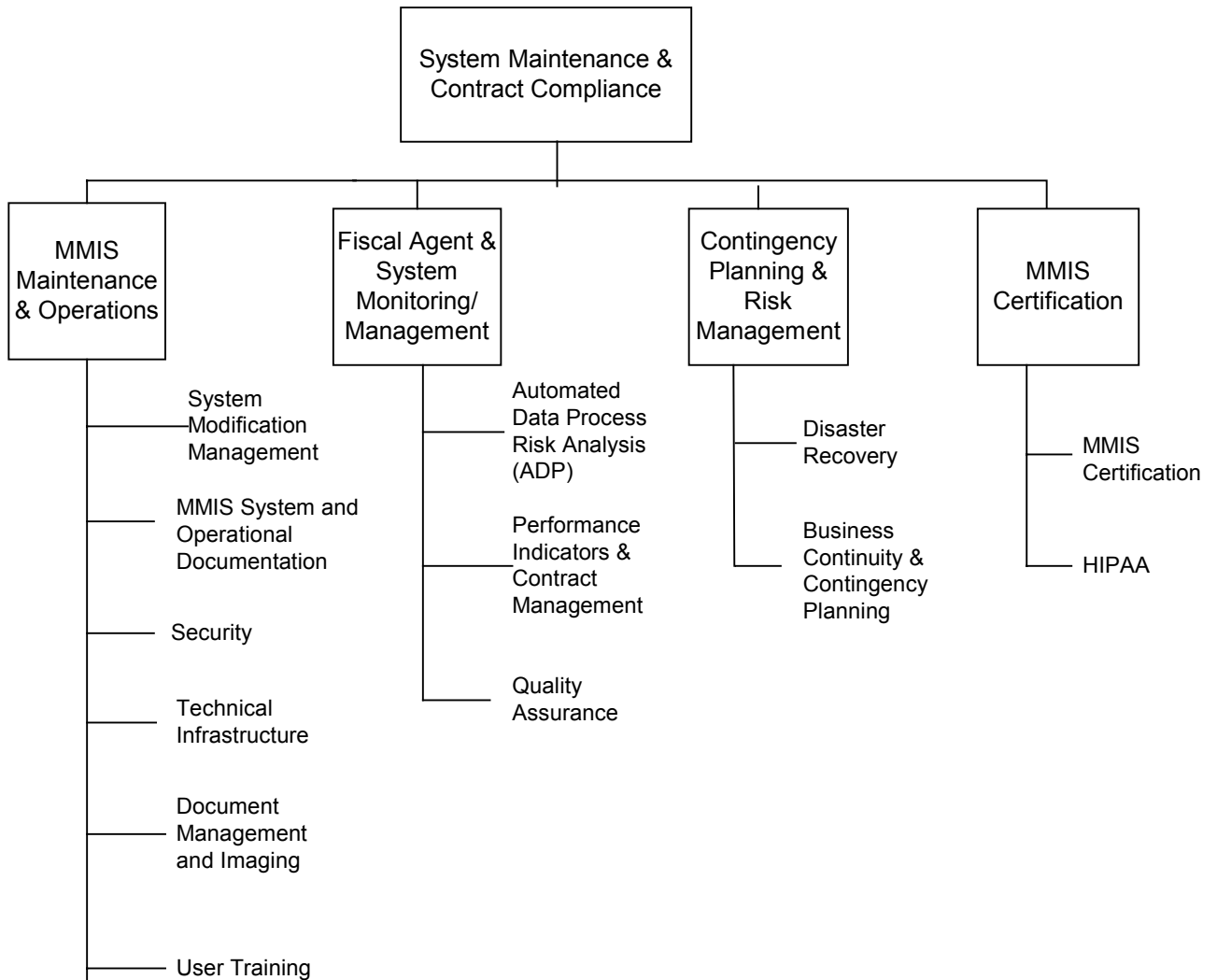
Benefit Plan Administration



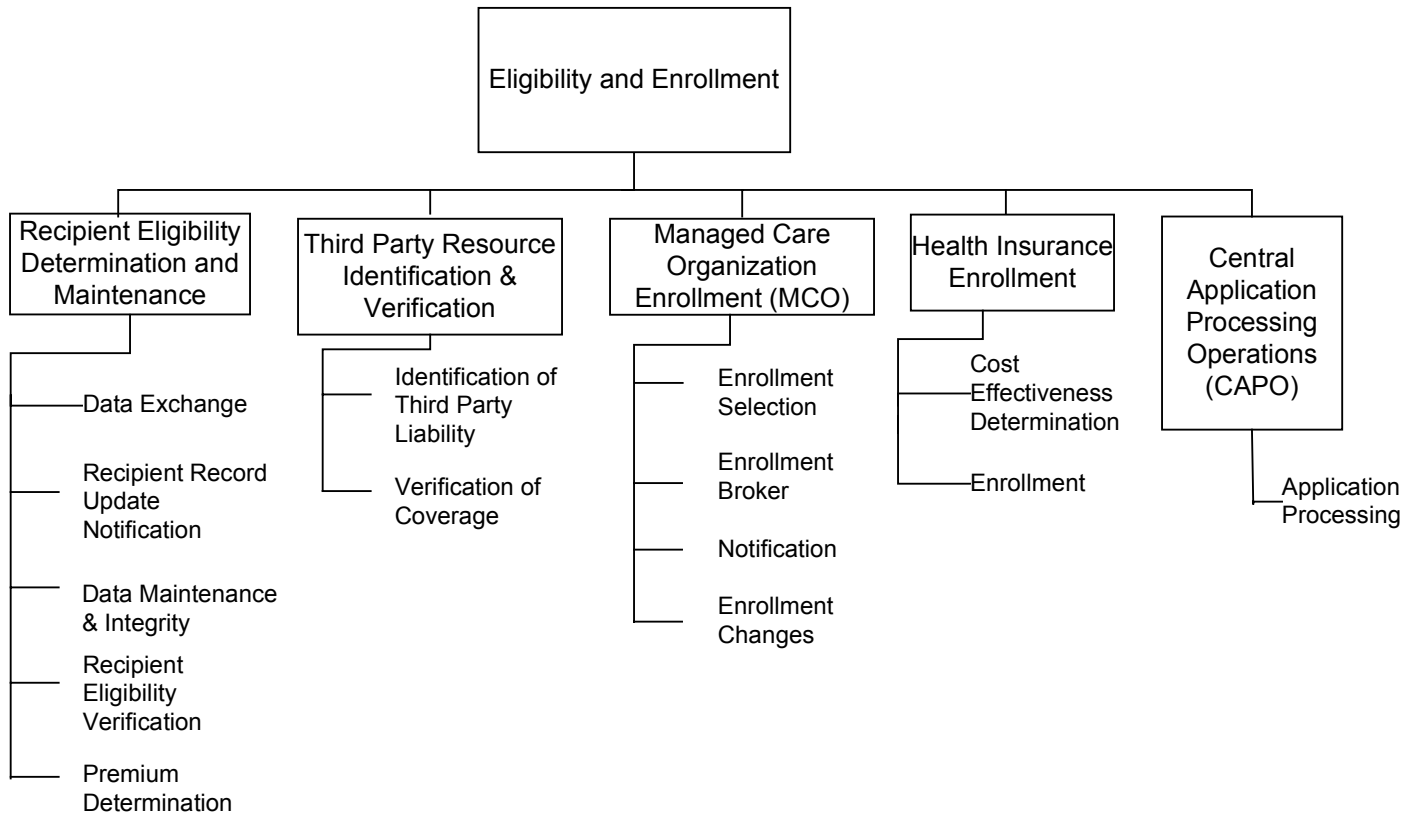
Recipient Services



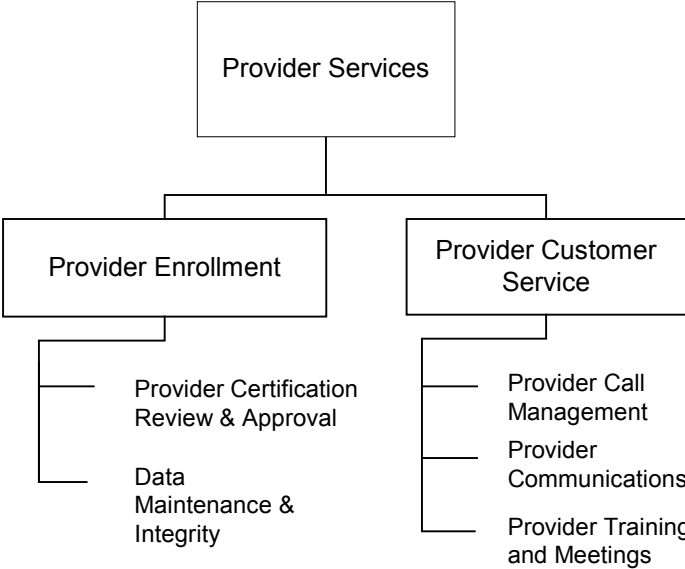
System Maintenance and Contract Compliance



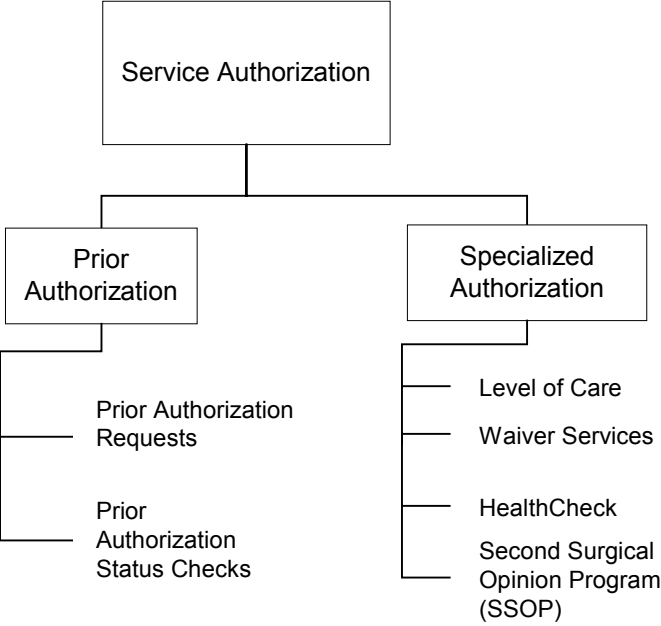
Eligibility and Enrollment



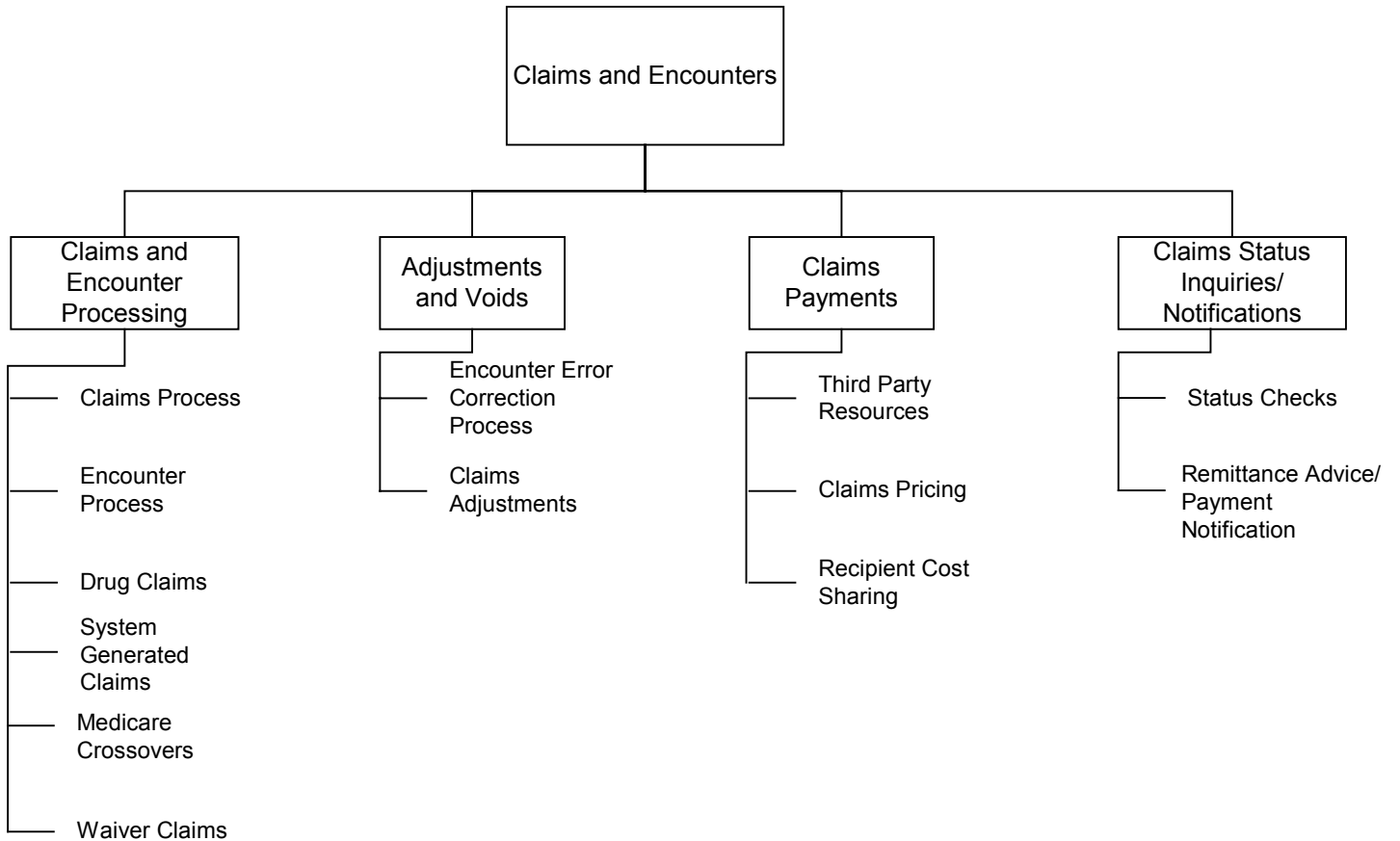
Provider Services



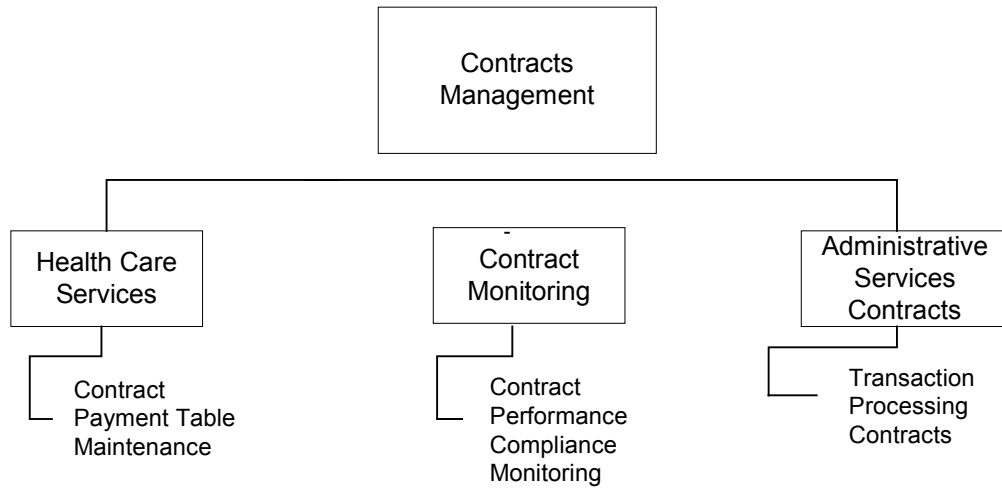
Service Authorization



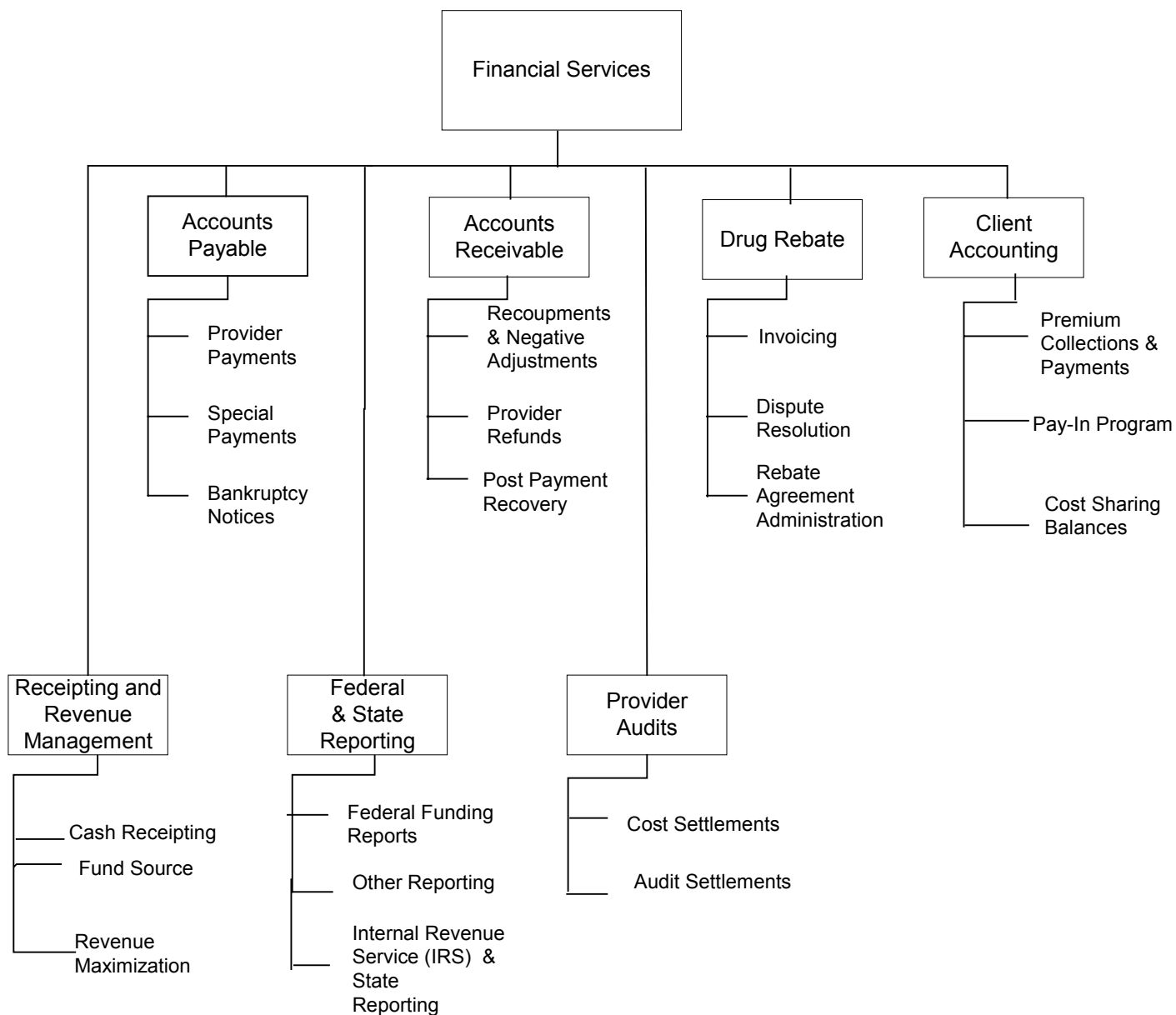
Claims and Encounters



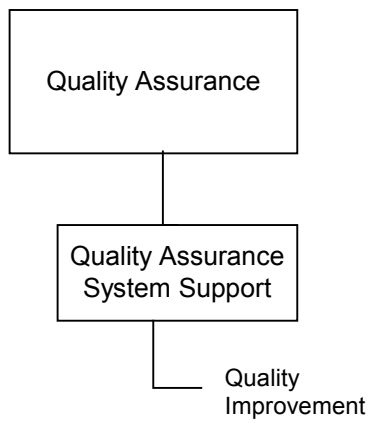
Contracts Management



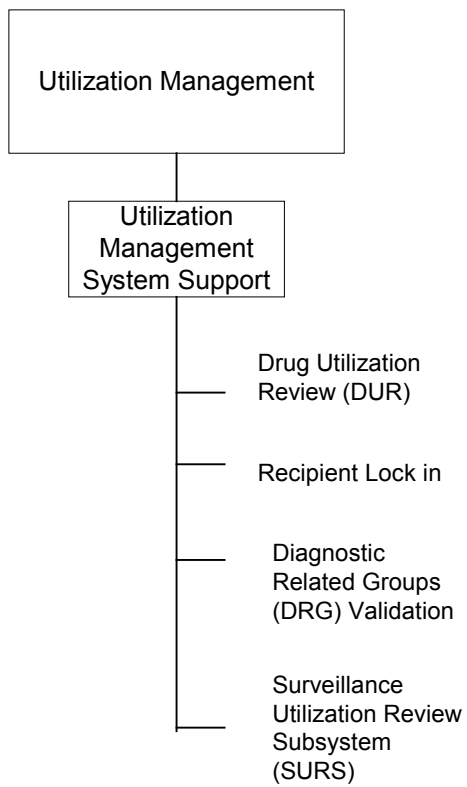
Financial Services



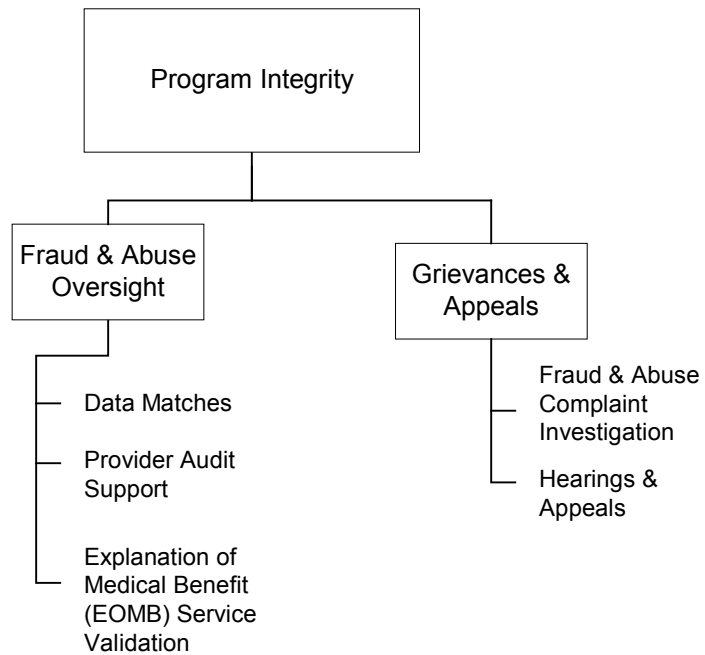
Quality Assurance



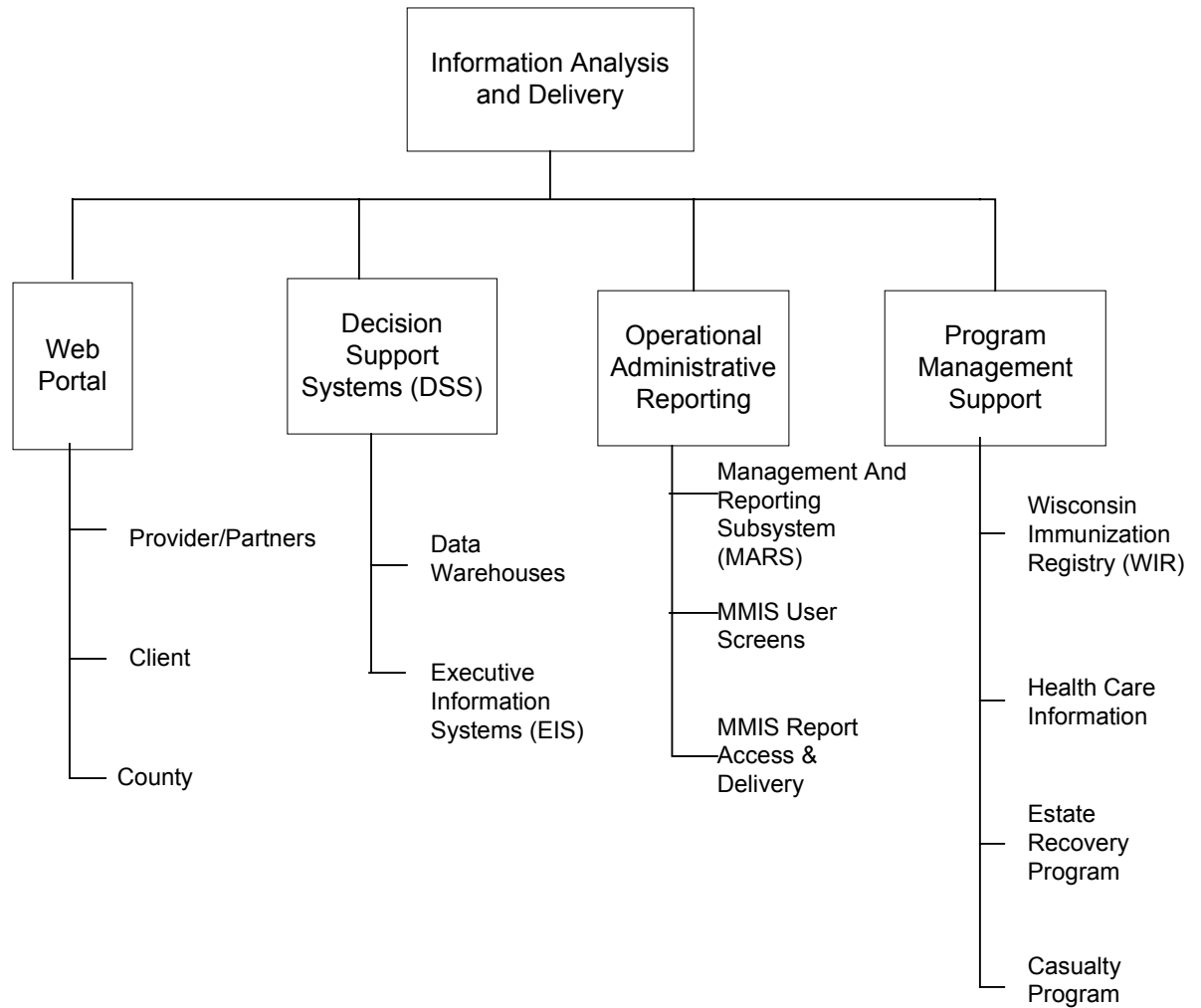
Utilization Management



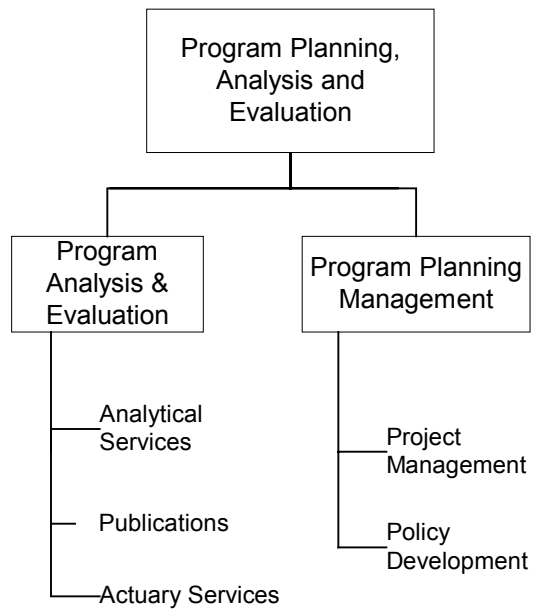
Program Integrity



Information Analysis and Delivery



Program Planning, Analysis and Evaluation



Attachment D

Examples of Proposed Outline of RFP Business Requirement

Section 40 MMIS Requirements – Wisconsin Business Model

Benefit Plan Administration

Benefit Plan Administration

Overview

- Benefit Packages
 - State Responsibilities
 - Contractor Responsibilities
 - System Requirements
 - Fiscal Agent Operations
 - Performance Expectations
- Service Limitations and Exclusions
 - State Responsibilities
 - Contractor Responsibilities
 - System Requirements
 - Fiscal Agent Operations
 - Performance Expectations
- Reference System Maintenance
 - State Responsibilities
 - Contractor Responsibilities
 - System Requirements
 - Fiscal Agent Operations
 - Performance Expectations
- Drug Benefit Management
 - State Responsibilities
 - Contractor Responsibilities
 - System Requirements
 - Fiscal Agent Operations
 - Performance Expectations

Payment Rate Administration

Overview

- Fee-for-Service Payment Rates

- State Responsibilities
- Contractor Responsibilities
 - System Requirements
 - Fiscal Agent Operations
 - Performance Expectations
- Managed Care Payment Rates
 - State Responsibilities
 - Contractor Responsibilities
 - System Requirements
 - Fiscal Agent Operations
 - Performance Expectations

Benefit Plan Administration

- Inputs
- Outputs
- Interfaces